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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Ethiopia and Eritrea

Financial performance report for the period from 1 July 2008 to 30 June 2009 of the United Nations Mission in Ethiopia and Eritrea

Report of the Advisory Committee on Administrative and Budgetary Questions**

Apportionment for 2008/09	$37,016,400
Expenditure for 2008/09	$31,005,000
Unencumbered balance	$6,011,400

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report on the budget of the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2008 to 30 June 2009 (A/64/586). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The documents reviewed and used for background by the Advisory Committee in its consideration of the financing of UNMEE are listed at the end of the present report.

* Reissued for technical reasons on 21 April 2010.

** The report of the Advisory Committee is being reissued to take into account changes introduced in the corrigendum to the original report of the Secretary-General (A/64/586/Corr.1).

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3. The mandate of UNMEE was established by the Security Council in its resolutions 1312 (2000) and 1320 (2000), further adjusted by the Council in its resolution 1430 (2002) and extended by the Council in subsequent resolutions. By its resolution 1827 (2008), the Security Council decided to terminate the mandate of UNMEE effective on 31 July 2008.

4. By its resolution 62/259, the General Assembly decided to appropriate an amount of $100,367,400 gross ($98,027,600 net) for the maintenance of the Mission for 2008/09 and to apportion among Member States the amount of $8,750,833 for the period from 1 to 31 July 2008 and the amount of $41,819,750 for the period from 1 August to 31 December 2008, subject to a decision by the Security Council to extend the mandate of the Mission. Subsequently, the Security Council, by its resolution 1827 (2008), decided to terminate the Mission's mandate effective on 31 July 2008. Accordingly, a revised budget was submitted for UNMEE for the period from 1 July 2008 to 30 June 2009 (A/63/546 and Corr.1).

5. By its resolution 63/257 A, the General Assembly decided to reduce the appropriation of $100,367,400 approved for the period from 1 July 2008 to 30 June 2009 under the terms of resolution 62/259 to $37,016,400. By the same resolution, the Assembly decided to apportion among Member States the amount of $28,652,450 for the administrative liquidation of the Mission for the period from 1 August 2008 to 30 June 2009, in addition to the amount of $8,750,833 already apportioned for the period from 1 to 31 July 2008 under the terms of resolution 62/259. The Advisory Committee was informed that the amount of $8,750,833 included $8,363,950 for the maintenance of the Mission, $337,258 for the support account for peacekeeping operations and $49,625 for the United Nations Logistics Base at Brindisi, Italy. As indicated in the performance report, expenditures for the period totalled $31,005,000 gross ($29,611,500 net), resulting in an unencumbered balance of $6,011,400 gross. An analysis of key resource variances is provided in section IV of that report.

6. Underexpenditures were attributable mainly to lower-than-budgeted freight and related costs owing to the fact that many of the Mission's assets were transferred to other peacekeeping missions in Africa or donated to the African Union rather than shipped, as originally planned, to the United Nations Logistics Base at Brindisi, Italy; lower-than-planned hours flown by both fixed-wing aircraft and helicopters; lower-than-budgeted requirements for cleaning and dismantling United Nations facilities; and faster-than-planned drawdown of military contingents. Underexpenditures were offset, in part, by additional requirements under international staff attributable mainly to a lower-than-planned average overall vacancy rate (3.1 per cent average realized against the 10 per cent vacancy factor provided for in the budget) and to expenditures for separation costs, which were not included in the budget.

7. As indicated in paragraph 16 of the performance report, the liquidation of UNMEE commenced immediately after the termination of the mandate by the Security Council. The liquidation period, which was initially set for six months, was extended by one month, until 10 March 2009, owing to unanticipated delays in the final recovery and disposal of assets in the Mission. Paragraphs 18 and 19 of the report describe the process of liquidation of assets of the Mission.

8. Upon request, the Advisory Committee was provided with a breakdown of the status of contributions as at 30 November 2009. A total of $1,332,814,000 had been assessed on Member States as at 30 November 2009 in respect of UNMEE since its

inception. Payments received as at the same date amounted to $1,324,367,500, leaving an outstanding balance of $8,446,500.

9. In respect of death and disability compensation, as at 31 January 2010 $589,000 had been paid for 46 claims and one claim was pending; unliquidated obligations amounted to $121,000. **The Advisory Committee expects that the outstanding claim will be settled expeditiously.**

10. As indicated in paragraph 41 of the performance report (A/64/586/Corr.1), taking into account cash assets ($15,142,400), liabilities ($5,789,100) and credits due to Member States for the 2007/08 and 2008/09 financial periods ($24,098,000), the cash shortfall in the Mission's special account as at 30 June 2009 would amount to $14,744,700. Upon enquiry, the Advisory Committee was informed that the cash shortfall was attributable mainly to unpaid assessed contributions.

11. The proposed actions to be taken by the General Assembly are set out in paragraph 42 of the report (A/64/586/Corr.1). The Secretary-General recommends that the Assembly:

(a) Return credits to Member States in the amount of $9,353,300, representing the net cash available in the special account of the Mission from the balance of credits in the amount of $14,736,400 due to Member States in respect of the 2007/08 financial period;

(b) Take note of the amount of $5,383,100, representing the remaining balance of credits due to Member States from the 2007/08 period and the amount of $9,361,600, representing credits due to Member States from the 2008/09 period;

(c) Defer until its sixty-fifth session a decision on the treatment of the total amount of $14,744,700, comprising the amount of $5,383,100 and the amount of $9,361,600 indicated in subparagraph (b) above.

12. Upon enquiry, the Advisory Committee was informed that, in recommending this course of action, the Secretary-General bore in mind General Assembly resolution 63/257 B, in which the Assembly decided that Member States that had fulfilled their financial obligations to the Mission would be credited with their respective share of the net cash available in the Special Account for the Mission as at 30 April 2009. **The Advisory Committee does not object to the Secretary-General's proposed course of action.**

Documentation

- Performance report on the budget of the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2008 to 30 June 2009 (A/64/586)
- Reports of the Advisory Committee on Administrative and Budgetary Questions (A/63/761 and A/63/746/Add.12)
- General Assembly resolutions 62/259 and 63/257 A on the financing of the United Nations Mission in Ethiopia and Eritrea
- Security Council resolutions 1827 (2008), 1798 (2008), 1767 (2007) and 1741 (2007)